Summary of Business Trends in June

INDUSTRIAL production during June was maintained at approximately the May level after allowance for the usual seasonal decline. Steel ingot production averaged about 10 percent lower than in May, a change of about seasonal proportions. Output, however, tended upward during the month, being scheduled at 29 percent of capacity in the final week of the month as compared with 26 percent in the first week. The prices of finished and semifinished steel products, which had resisted the general price decline, experienced moderate reductions after some weeks of uncertainty over the price structure.

Automobile assemblies for June, according to weekly estimates, declined more than seasonally from May. Further curtailment of greater-than-seasonal proportions is indicated for automobile production in the summer months, if announced plans are not altered.

Bituminous coal output in June showed the usual small expansion, and electric power production made a slight contraseasonal gain. Freight-car loadings during the first 3 weeks of June showed a gain from May of slightly more-than-seasonal proportions, as a result of a sharp increase in the movement of ore and a small gain in the shipments of manufactured goods included in the miscellaneous group. No marked changes occurred in the other major industrial series for which June data are available, but a brisk improvement in sales of textiles was reported in the latter part of the month and commitments in other commodities increased.

A definite strengthening in primary commodity prices was noted after the first week of June when many quotations had reached levels not touched since 1934. In the final weeks of the month a broad price advance embraced most important raw materials. Security markets experienced a sharp advance in the latter part of the month, with representative stock "averages" recording substantial gains. Bond financing during June was the largest for any month since July a year ago. Several large corporate issues were successfully floated.

Department store sales during the first 3 weeks in June showed a progressive narrowing of the margin by which sales this year were below those in the corresponding weeks last year.

Construction contracts awarded in the first half of June made a less favorable showing than in May when awards on a seasonally adjusted basis were the highest since last August. Total awards declined 15 percent from the daily average in May, the change resulting in large measure from the reduction in public works projects, which were placed in large volume during May. Residential awards were relatively favorable.

MONTHLY BUSINESS INDEXES

Year and month	Industrial production: Unadjusted[1]: Total	Manufactures	Minerals	Adjusted[2]: Total	Manufactures	Minerals	Factory employment and pay rolls: Number of employees, adjusted[2]	Amount of pay rolls, unadjusted	Freight-car loadings: Total: Adjusted[2]	Merchandise, l. c. l.: Adjusted[2]	Retail sales, value, adjusted[2]: Department stores	Rural, general merchandise	Foreign trade, value, adjusted[2]: Exports	Imports	Bank debits, outside New York City	Construction contracts, all types, value, adjusted[2]	Income payments[3]: Unadjusted	Adjusted[2]	Wholesale price index, 813 commodities
	Monthly average, 1923-25=100											1929-31=100	Monthly average, 1923-25=100				Monthly average, 1929=100		Monthly average, 1926=100
1929: May	125	128	110	123	132	117	106.4	112.9	107	105	109	116.6	108	123	134.3	121	97.1	90.0	94.7
1933: May	79	80	77	76	77	79	68.9	43.7	55	67	66	64.5	32	33	58.3	14	63.9	67.2	63.7
1934: May	89	88	90	86	88	88	85.9	68.1	64	60	75	70.7	45	47	71.5	26	81.9	64.9	73.7
1935: May	87	87	88	85	84	90	84.6	69.4	61	64	74	83.1	46	52	78.9	27	66.4	80.2	80.2
1936: May	106	105	101	101	101	102	89.9	80.8	72	65	87	114.3	58	58	80.2	46	74.7	77.8	78.9
1937:																			
May	122	123	117	118	119	117	102.3	105.2	80	68	93	157.1	61	86	97.8	68	82.9	87.0	87.4
June	116	114	113	114	114	115	101.4	102.9	78	67	93	224.4	70	83	101.6	61	81.2	87.8	87.2
July	111	110	115	114	114	112	103.0	100.4	88	68	94	519.1	80	80	102.2	67	82.5	88.1	87.9
August	116	116	120	117	117	118	102.4	103.9	79	68	92	115.1	79	79	93.4	62	81.7	88.6	87.5
September	109	106	125	111	110	116	100.7	108.1	78	67	94	131.7	74	76	94.6	56	92.4	87.2	87.4
October	103	99	123	102	101	113	98.4	100.1	76	66	93	131.3	72	69	101.8	52	90.8	86.4	85.4
November	88	84	112	88	88	109	94.1	89.6	71	64	93	119.0	72	69	92.1	56	81.3	85.1	83.3
December	89	76	108	84	79	115	90.0	83.9	67	62	89	125.4	79	65	105.6	61	94.8	84.0	81.7
1938:																			
January	78	75	103	80	76	108	84.3	71.7	65	61	89	104.3	75	63	80.3	52	81.0	81.7	80.9
February	79	75	98	79	75	102	83.0	73.2	62	62	88	99.9	75	51	74.2	51	74.4	80.7	79.8
March	80	77	95	79	75	103	81.6	73.3	60	61	88	105.8	72	49	88.1	48	79.3	80.8	79.7
April	76	78	91	77	72	101	79.2	78.7	57	60	89	112.3	70	46	84.1	59	79.7	79.4	78.7
May	78	75	92	76	73	94	77.4	69.4	59	61	79	110.1	76	45	81.2	51	76.0	79.0	78.1
Monthly average, January through May:																			
1929	122	124	110				103.6	109.8	102	103	100	110.3	117	130	135.8	121	97.6		95.6
1933	67	66	73				65.3	40.5	58	65	57	62.4	20	29	[4]66.6	17	64.6		60.6
1934	86	84	87				82.6	63.5	61	60	69	71.8	46	45	68.4	30	63.2		73.3
1935	80	89	85				84.9	69.0	61	64	60	88.0	45	57	70.1	27	65.2		79.0
1936	99	90	89				88.1	77.0	67	63	78	90.2	51	60	86.8	50	70.2		79.8
1937	119	120	112				100.2	98.5	78	68	84	107.1	67	86	100.4	59	83.7		87.1
1938	79	70	95				80.7	71.7	67	60	77	97.4	73	61	83.4	58	77.9		79.4

[1] Adjusted for number of working days. [2] Adjusted for seasonal variations. [3] See note marked "*" on p. 22. [4] Average of 4 months January, February, April, and May.

Commodity Prices

COMMODITY prices moved upward after the first week of June when many sensitive commodity quotations and the general index of wholesale prices were the lowest since late 1934. Moody's index of spot prices of 15 raw commodities increased from 130 (December 31, 1931=100) on June 1, to 141 in the fourth week of the month, recovering all of the loss since the latter part of April. Advances were recorded in prices of lead, zinc, tin, rubber, silk, and farm products. Steel scrap quotations advanced nearly $2 per ton after declining almost uninterruptedly since last summer. Domestic copper, lead, and zinc mines have been shut down in recent weeks and international control groups have reduced production and export quotas of tin, rubber, and copper.

Steel prices were reduced late in June after holding practically constant at the levels established in March of last year. Steel ingot quotations were reduced $3 to $34 per ton at Pittsburgh. Between the summer of 1936 and March 1937, steel ingot prices had been advanced from $29 to $37 per ton. Proportionate decreases were made in quotations of a variety of finished steel products.

Prices of farm products firmed after the first week in June, the wholesale price index compiled by the Bureau of Labor Statistics advancing from 67.2 (1926=100), the lowest since August 1934, to 68.8 for the week ended June 25. Wheat prices recovered from the lows early in June as prospects for a record crop were followed by reports of rust damage. Spot cotton quotations in 10 Southern markets increased during the month from less than 8 cents per pound to 8¾ cents. The average price for beef steers at Chicago was $9.51 per 100 pounds for the week ended June 25, a gain of $1.02 since the first week of May. Over the same period the average price paid by packers for hogs increased $0.74 to $8.43.

Living costs of wage earners have held steady since January, following a drop of over 2 percent from the recovery peak last October. Retail food prices were fractionally lower at mid-May than a month earlier, but remained above the February-March level. The Fairchild index for retail prices of department store articles continued to decline during May, and on June 1 was 89.5 (January 1, 1931=100), as compared with the recovery high of 96.6 on September 1, 1937.

INDEXES OF COMMODITY PRICES

Year and month	Wholesale prices (U. S. Department of Labor): Combined index, 813 commodities	Economic classes: Finished products	Raw materials	Semimanufactures	Groups and subgroups: Farm products	Grains	Foods	Meats	Other than farm products and foods	Building materials	Chemicals and drugs	Fuel and lighting	Hides and leather	House-furnishing goods	Metals and metal products	Textile products	Miscellaneous	Cost of living (National Industrial Conference Board)	Farm prices, combined index (U. S. Department of Agriculture)[1]	Retail prices: Foods (U. S. Department of Labor)	Department-store articles (Fairchild)[2]
	Monthly average, 1926=100																	Mo. average, 1923=100	Mo. average, 1909-14=100	Mo. average, 1923-25=100	Dec. 1930 (Jan. 1, 1931)=100
1929: May	94.7	94.6	96.3	93.9	102.2	88.2	96.6	111.8	91.6	95.8	94.1	83.5	106.7	94.0	101.2	90.7	82.5	99.0	142	102.4	
1933: May	62.7	67.2	55.7	61.3	50.2	52.8	59.4	58.3	56.5	71.4	72.2	58.4	70.9	71.7	77.7	55.9	65.8	72.8	66	62.5	70.4
1934: May	73.7	77.8	64.1	72.7	59.6	63.9	67.1	60.6	76.9	87.3	74.4	73.0	87.9	83.0	88.1	72.0	69.8	79.0	82	73.0	88.6
1935: May	80.2	82.4	77.6	74.5	80.0	83.2	84.1	97.0	77.4	84.8	81.2	73.1	88.8	86.6	80.6	69.4	68.7	82.6	108	81.4	86.1
1936: May	78.0	80.5	75.6	74.1	76.2	70.0	78.0	85.1	78.8	84.8	77.7	76.6	94.0	81.6	80.3	69.6	69.2	83.8	103	78.9	88.1
1937:																					
May	87.4	87.5	87.1	87.8	89.8	113.9	84.5	95.9	86.2	97.2	84.5	77.2	106.7	89.3	96.8	78.7	80.6	88.8	128	88.6	96.5
June	87.2	87.7	86.1	85.6	88.5	104.7	84.7	98.6	86.1	96.9	83.6	77.6	106.4	89.6	94.9	78.3	78.4	88.9	124	89.3	95.0
July	87.9	88.6	86.6	87.6	89.8	105.2	86.2	100.6	86.3	96.7	83.9	78.1	106.7	89.7	96.1	78.3	78.0	88.9	125	88.9	96.3
August	87.5	89.0	84.5	85.6	86.4	93.0	85.7	112.1	86.1	96.2	82.2	78.4	106.1	91.1	97.0	77.1	77.5	89.0	123	88.8	96.6
September	87.4	89.1	84.4	85.3	86.9	91.9	88.0	113.4	84.6	96.2	81.4	78.7	107.6	91.1	97.1	76.3	77.9	89.4	118	89.5	95.8
October	84.4	88.1	80.7	82.5	80.4	77.9	85.8	107.4	86.1	95.4	81.2	78.6	105.7	91.0	96.4	73.5	76.3	89.4	112	84.9	95.7
November	83.3	85.7	77.2	79.8	74.7	69.2	83.1	98.3	84.2	93.7	84.2	78.2	101.4	90.4	89.8	71.2	75.4	89.0	107	84.6	94.6
December	81.7	84.3	75.4	77.7	72.8	71.8	79.8	88.8	84.8	92.4	79.6	79.4	97.7	89.7	86.3	70.1	75.0	88.6	104	82.8	93.2
1938:																					
January	80.9	84.3	74.9	76.9	71.6	75.0	74.3	82.0	83.4	91.6	79.6	78.3	96.7	88.3	96.0	69.7	75.2	87.5	102	80.3	92.4
February	79.8	83.3	73.6	76.1	68.3	73.0	73.6	78.4	83.0	91.1	79.1	78.5	94.7	88.0	96.0	68.6	74.8	86.7	97	78.4	91.3
March	79.7	83.4	73.2	75.6	70.3	69.0	73.5	81.6	82.6	91.4	78.7	77.7	93.6	87.7	96.0	68.2	74.4	86.7	94	78.6	90.6
April	78.7	82.7	71.3	75.3	68.4	68.0	72.3	82.2	82.0	91.3	77.6	76.8	92.1	87.3	96.3	67.2	73.4	86.8	94	79.4	90.2
May	78.1	82.1	70.7	74.4	67.4	62.3	71.1	83.1	81.6	90.4	76.8	76.3	91.8	87.3	95.7	66.1	74.1	86.6	92	78.1	89.5
Monthly average, January through May:																					
1929	95.6	94.7	97.6	94.6	105.1	98.3	98.3	107.9	91.9	96.0	95.1	83.7	109.0	94.6	101.3	91.9	82.8	99.3	146	101.9	
1933	60.8	66.2	56.3	57.7	44.2	39.8	55.9	50.6	66.2	70.4	71.7	63.8	70.8	72.1	77.6	52.4	61.2	72.3	56	61.0	70.1
1934	73.3	77.0	64.2	72.7	60.1	62.4	66.2	55.3	78.0	86.7	75.3	72.2	88.9	81.4	87.3	75.8	68.9	78.6	82	72.2	89.1
1935	79.4	81.7	77.1	72.1	79.2	86.0	82.6	89.4	77.4	84.8	80.7	72.9	88.4	80.8	85.0	69.7	68.5	82.1	109	79.9	88.4
1936	79.8	81.0	77.6	74.4	77.3	78.5	81.8	90.6	78.9	85.6	79.2	76.0	95.3	81.6	85.6	70.7	66.4	83.6	108	80.3	88.3
1937	87.1	86.3	88.5	87.5	91.6	114.2	84.3	92.7	85.2	94.9	86.9	76.7	104.3	88.2	94.2	78.3	78.9	87.8	129	86.3	94.4
1938	79.4	83.3	72.7	75.9	69.5	69.1	73.6	81.4	82.5	91.2	78.3	77.5	93.7	87.7	96.3	68.0	74.2	86.8	96	78.9	90.8

[1] Middle of month.

[2] Index is as of the 1st of the following month.

Domestic Trade

Department store sales during the first 4 weeks in June showed some improvement, narrowing the percentage declines from a year ago from 19 percent in the last week in May to 10 percent in the week ended June 25. Consumer purchasing during May fell below that of the comparative period of the previous year for the seventh consecutive month, the relative decline in the dollar volume of sales being larger than for any of the preceding months. Sales of heavy consumer goods showed considerably wider declines than were recorded for general merchandise and food.

Rural general merchandise sales in May were down 13 percent from May 1937, while sales of variety and grocery chain stores decreased 9 percent and 3 percent, respectively. Department store sales in May declined 4 points to 79 (1923–25=100), according to the seasonally adjusted index of the Board of Governors of the Federal Reserve System, and were 15 percent below sales in May 1937. The margin by which sales this year fell below those of last year varied widely among the Federal Reserve districts, ranging from 5 percent for the Dallas district to 27 percent for the Philadelphia area.

May sales of more than 16,000 independent retail firms in 25 States reporting sales data to the Bureau, and representing all regions excepting New England and the Middle Atlantic States, were about one-fifth less than in May 1937. This compares with an average decrease in March and April of 16 percent from the average for these 2 months last year. May sales were 4½ percent below those in April 1938, with 10 of the 25 States reporting increases; 1, no change; and 14, decreases.

Wholesale sales in May, as reported to the Bureau of Foreign and Domestic Commerce by a sample group of more than 1,900 firms, were 16 percent below those in May 1937, and were down 1.4 percent from April 1938. As compared with trade in May last year, sales by wholesalers of jewelry were down 33 percent, sales of electrical goods were down 30 percent, and furniture, lumber, and hardware sales were down approximately 27 percent. Drug, grocery, petroleum, and tobacco wholesalers reported only minor declines from a year ago. An analysis of the inventories of wholesalers indicates that stock liquidation has been proceeding steadily, if slowly, with the major part of the decline occurring since the beginning of February.

Manufacturers' sales in May 1938 were more than one-fourth below those of May last year, according to reports from almost 1,100 manufacturers cooperating with the Bureau—April sales were down by approximately the same relative amount from April last year. Every major industry group for which sales data are shown recorded sales lower than those of May 1937. The smallest contraction was in the printing, publishing, and allied industries group where the decline was about 10 percent. Sales of the iron and steel products group were less than half as large as a year ago.

DOMESTIC TRADE STATISTICS

Year and month	Retail trade: Department stores: Sales: Unadjusted [1]	Sales: Adjusted [2]	Stocks [3]: Unadjusted	Stocks [3]: Adjusted [2]	Chain-store sales: Combined index (Chain Store Age)	Grocery stores: Unadjusted [1]	Grocery stores: Adjusted [2]	Variety stores: Unadjusted [1]	Variety stores: Adjusted [2]	Rural sales of general merchandise: Unadjusted [1]	Rural sales: Adjusted [2]	New passenger-car sales: Unadjusted [1]	New passenger-car sales: Adjusted [2]	Wholesale trade: Employment	Wholesale trade: Pay rolls	Commercial failures: Failures	Commercial failures: Liabilities
	Monthly average, 1923-25=100				Avg. same mo. 1929-31=100	Monthly average, 1929-31=100								Monthly average, 1929=100		Number	Thousands of dolls.
1929: May	100	109	101	108	....	101.8	100.2	109.6	102.6	100.6	116.6	205.0	140.0	99.0	98.0	....	....
1933: May	67	68	60	65	79.9	79.9	79.7	78.1	79.1	80.0	64.8	59.9	42.5	72.2	58.8	1,848	42,469
1934: May	77	76	68	68	90.0	84.6	82.3	90.0	90.0	74.9	79.7	78.1	55.5	82.8	62.6	942	20,787
1935: May	79	74	68	64	92.0	90.4	88.1	90.0	88.9	87.0	94.1	96.4	70.0	82.5	64.6	1,004	14,339
1936: May	89	87	67	65	103.9	92.0	90.7	90.8	95.8	107.4	114.3	138.6	93.5	84.6	68.2	832	16,378
1937:																	
May	95	93	76	78	112.6	96.3	98.9	98.2	99.3	110.4	127.1	144.6	104.0	90.8	74.1	834	8,364
June	90	93	73	78	114.0	95.3	92.9	100.7	103.9	117.6	134.4	134.8	90.0	90.3	76.3	670	8,191
July	65	94	69	77	114.5	91.1	93.0	97.0	100.0	91.7	119.1	122.9	104.5	90.6	76.9	618	7,769
August	72	93	74	78	113.2	89.0	93.3	90.6	102.4	90.0	115.1	112.6	120.5	91.8	79.9	707	11,919
September	100	94	80	77	117.6	94.7	94.6	90.8	104.6	130.4	131.7	73.3	105.0	94.0	78.3	664	8,369
October	103	93	85	78	114.8	94.0	94.4	101.6	100.0	140.2	131.8	82.6	127.0	94.0	79.3	768	9,324
November	101	91	86	76	109.9	94.0	94.9	102.7	101.2	116.8	118.6	90.9	89.0	92.5	78.3	780	10,078
December	168	89	68	72	111.6	97.0	94.2	209.6	110.3	170.6	126.4	70.1	78.0	91.3	77.9	992	13,291
1938:																	
January	70	90	63	71	106.7	93.3	96.2	71.6	90.1	86.8	104.3	50.8	85.0	91.0	75.4	1,320	18,035
February	78	88	67	70	100.4	94.1	98.6	79.6	94.1	90.4	90.0	53.0	74.9	90.4	75.2	1,071	15,360
March	77	86	71	70	103.3	95.6	94.7	81.7	97.2	98.4	105.8	74.0	61.8	89.1	74.7	1,088	16,567
April	84	83	71	69	106.0	94.4	91.7	95.0	92.9	137.9	112.3	80.6	60.0	88.6	74.0	1,110	20,106
May	80	79	71	68	103.8	95.6	94.4	86.3	89.2	109.5	110.1	76.6	57.9	87.1	74.1	1,055	14,459
Monthly average, January through May:																	
1929	100	....	99	....	....	101.4	....	92.6	....	110.3	....	101.7	....	97.6	97.7	....	....
1933	67	....	64	....	79.1	77.8	....	69.5	....	82.4	....	34.6	....	72.2	54.0	2,183	55,711
1934	68	....	65	....	90.9	85.3	....	80.9	....	71.8	....	66.9	....	81.7	61.8	1,073	22,093
1935	69	....	63	....	94.1	89.4	....	88.0	....	86.0	....	87.9	....	83.7	64.0	1,020	16,210
1936	79	....	64	....	100.4	93.9	....	82.8	....	96.2	....	106.7	....	85.3	67.7	906	16,599
1937	84	....	75	....	109.4	98.2	....	87.2	....	107.1	....	131.6	....	91.5	74.0	764	9,336
1938	77	....	69	....	....	94.6	....	82.2	....	97.4	....	87.3	....	89.2	75.0	1,130	15,724

[1] Adjusted for number of working days. [2] Adjusted for seasonal variations. [3] End of month.

Employment

CONTRASEASONAL declines in employment in May, revealed by the Bureau of Labor Statistics, were due largely to curtailment of forces in factories, mines, and railroads, and in retail and wholesale trade. During the first 4 months of the year employment did not record the usual seasonal increase, and, with the May decline, the number at work dropped to the lowest point since early in 1936. These data, which cover all persons engaged in gainful work outside of agriculture (excluding employment on W. P. A. and other emergency projects), indicate that since September 1937 the drop in employment has amounted to about 3,300,000 workers.

In factories, the May decline in employment exceeded that usually experienced, the seasonally adjusted index receding 1.6 points to 77.6 (1923–25=100). Factory pay rolls also were lower in May, but the relative decrease was less than that recorded for employment. Since last fall, however, the drop in weekly wage payments has amounted to 31 percent, as compared with a decline of 23 percent in employment. The decline in the number of workers and in pay rolls has been much more severe in the durable than in the nondurable goods industries.

In May, 11 of the 14 major groups into which manufacturing industries are classified reported declines in employment; for pay rolls, there were 7 declines in the major groups and a similar number of increases. The most pronounced declines, those which occurred in textiles, particularly wearing apparel, and in leather and its products, were in part seasonal; in wearing apparel establishments, however, the decline was about twice that usually experienced, so that the adjusted employment index dropped more than 5 points to the lowest level since 1932. Machinery industries and transportation equipment plants also reported marked reductions in employment. The agricultural-implement industry continued to make a relatively favorable showing and although the number at work in these plants has recorded a decline of about 17 percent since last fall, employment is at a much higher level than in most other industries, when comparison is made with the 1923–25 base. Increases in employment in May were largely of a seasonal nature and for the most part were restricted to manufacturers of stone, clay, and glass products, and food and kindred items.

Among the 16 nonmanufacturing industries reporting employment data to the Bureau of Labor Statistics, the only increases of more than 1 percent in May were seasonal gains reported for quarrying and nonmetallic mining, and building construction. Wholesale and retail trade both showed seasonal declines, the recession in retail general merchandising establishments being somewhat sharper than usual. The mining industries, except quarrying, all recorded declines, with anthracite producers reporting the sharpest drop in the number of workers.

STATISTICS OF EMPLOYMENT, PAY ROLLS, AND WAGES

Year and month	Factory employment and pay rolls: Employment, Unadjusted	Factory: Employment, Adjusted[2]	Factory: Pay rolls, Unadjusted	Nonmanufacturing employment and pay rolls, unadjusted (U. S. Department of Labor): Anthracite mining[1], Employment	Anthracite mining[1], Pay rolls	Bituminous coal mining[1], Employment	Bituminous coal mining[1], Pay rolls	Electric light and power and manufactured gas, Employment	Electric light and power and manufactured gas, Pay rolls	Telephone and telegraph, Employment	Telephone and telegraph, Pay rolls	Retail trade, Employment	Retail trade, Pay rolls	Trade-union members employed	Wages: Factory (National Industrial Conference Board), Average weekly earnings	Factory, Average hourly earnings	Common labor rates (road building)
	Monthly average, 1923–25=100			Monthly average, 1929=100										Percent of total members	Dollars		Cents per hour
1929: May	105.2	106.4	112.4	103.5	98.0	94.3	91.7	99.4	98.1	100.4	99.4	98.6	98.2	89	28.61	.592	46
1933: May	65.8	66.0	43.7	50.7	33.1	72.8	34.3	76.9	69.9	70.1	64.5	72.1	51.3	67	16.63	.463	35
1934: May	86.2	85.9	68.1	73.3	67.9	91.3	64.0	83.1	77.0	70.2	71.4	82.9	61.5	76	20.90	.585	43
1935: May	84.8	84.6	66.4	65.0	64.2	92.5	60.0	83.2	79.8	70.0	73.7	83.3	62.0	78	21.78	.598	41
1936: May	90.9	89.8	80.6	66.2	61.3	94.3	72.5	88.8	87.0	71.6	78.6	85.6	65.8	83	24.41	.616	44
1937:																	
May	102.3	102.2	104.2	61.6	45.2	98.1	79.4	94.8	97.9	77.7	80.5	89.9	73.5	89	28.36	.690	50
June	104.1	101.4	102.9	64.6	65.3	96.2	83.3	96.3	100.4	78.5	88.6	90.5	74.4	89	28.30	.707	41
July	101.4	103.0	104.4	54.9	38.2	92.7	77.7	97.5	102.3	78.7	92.1	87.6	72.6	89	27.83	.711	41
August	102.3	102.4	103.5	49.7	29.0	97.4	88.3	98.3	102.6	79.5	92.1	86.2	72.9	88	27.70	.718	42
September	102.1	100.7	100.1	58.1	34.2	98.4	90.9	98.6	104.0	79.5	92.8	90.7	74.4	88	27.89	.716	43
October	100.5	98.4	100.1	41.5	66.4	102.4	100.7	98.6	106.3	78.5	94.9	92.1	75.9	88	27.32	.716	43
November	94.7	94.1	89.6	60.9	49.0	101.4	92.4	97.3	100.8	75.9	91.4	91.7	75.3	85	25.69	.717	41
December	88.6	89.0	80.9	61.4	61.3	98.4	95.1	96.1	102.4	76.0	94.7	100.4	80.8	83	24.94	.716	38
1938:																	
January	82.2	84.2	71.7	58.6	46.8	96.8	70.3	94.0	98.8	77.3	82.7	84.1	78.1	80	22.98	.710	34
February	82.3	83.0	72.2	60.0	46.1	93.4	74.0	93.0	98.8	74.7	86.8	82.4	66.4	79	23.03	.718	34
March	81.7	81.0	73.3	64.3	47.8	93.1	68.8	92.2	98.6	74.8	92.8	83.0	68.8	79	23.03	.714	33
April	79.0	78.2	70.7	57.0	30.0	86.8	50.3	91.6	97.8	74.8	91.6	88.2	72.2	80	22.53	.717	35
May	77.6	77.6	69.4	52.9	39.3	82.9	45.7	91.9	97.6	73.9	91.6	84.8	70.1	81	22.34	.717	....
Monthly average, January through May:																	
1929	103.8	....	109.8	101.6	100.1	103.1	102.2	94.5	94.3	90.9	94.8	97.2	96.7	87	28.81	.589	....
1933	63.3	....	40.6	58.3	44.2	77.4	38.8	77.2	71.3	72.9	70.3	71.4	51.8	66	15.66	.460	....
1934	82.8	....	63.5	72.5	71.2	90.8	62.6	82.1	76.6	70.1	69.3	81.3	60.1	76	20.17	.568	....
1935	84.9	....	69.6	68.2	58.6	96.4	69.1	82.0	79.8	70.0	72.8	80.9	60.8	77	21.84	.596	....
1936	88.1	....	77.0	66.0	54.2	97.3	80.6	87.2	85.7	70.6	76.6	82.4	63.7	80	23.79	.611	....
1937	100.2	....	98.5	52.0	48.9	100.2	87.3	92.9	94.8	75.9	83.5	87.0	70.4	87	27.34	.664	....
1938	80.7	....	71.7	57.7	43.4	90.8	64.0	92.8	98.2	74.4	91.6	84.3	69.9	80	22.41	.714	....

[1] See footnote marked "†" on p. 29.

[2] Adjusted for seasonal variations.

Finance

THE decline in stock prices was arrested in June by a moderate advance during the first 3 weeks, followed by a sharp rally during the final week of the month. The volume of trading was exceptionally small until the upturn in prices after June 20. In the week ended June 25, industrials advanced 17 percent, railroads 29 percent, and utilities 11 percent.

In the capital market the feature of the month was the offering of $100,000,000 of 10-year debentures by a leading industrial corporation. The June 15 financing of the Treasury was limited to an exchange of new bonds and notes for maturing obligations. The extreme ease in the money market was indicated by the fall in the Treasury bill rate to 0.016 percent for the offering of June 20.

An expected development during June in the banking sphere was the further increase in the total and excess reserves of member banks as a result of the continued disbursement by the Treasury of the proceeds of gold desterilization. Total reserves increased $300,000,000 to $7,922,000,000 between May 18 and June 22. Excess reserves rose during this period by $227,000,000 to $2,782,000,000. At the same time Treasury deposits with Federal Reserve Banks were drawn down $354,000,000 to $929,000,000; and the total credit base was expanded by $80,000,000 chiefly because of the increase of $65,000,000 in monetary gold stock. Other factors (increases in Treasury cash, and in nonmember bank deposits), involving the utilization of $134,000,000, accounted for the difference between the rise in total reserves and the combined change in Treasury deposits and in the credit base.

The failure of excess reserves to rise to the extent of the increase in total reserves was the result of an increase in required reserves—the consequence, in turn, of the addition of almost $370,000,000 to the demand liabilities of weekly reporting member banks during the 5-week period ended June 22. During this same period, the total loans and investments of reporting member banks decreased by $107,000,000. Holdings of Government and Government-guaranteed obligations declined by $80,000,000, and holdings of other securities rose by $102,000,000. Loans to commerce, industry, and agriculture continued to decline, while loans to brokers and dealers in securities increased.

The foreign-exchange markets reacted during June in the usual manner to renewed rumors of a reduction in the gold buying price of the United States Treasury and to repeated official denials that a reduction was contemplated. During the period from late May to mid-June, under the influence of these rumors, the principal European currencies showed generally firm tendencies in terms of dollars. At the same time a strong hoarding demand for gold appeared in the London market. This demand was reflected in a rise in the sterling price of gold on June 17 to a new high for the year and, together with the high quotation for sterling, in a rise in the dollar price of gold in London above the parity price of $35 an ounce. Following the "formal and complete" denial by the Secretary of the Treasury on June 20 that further devaluation of the dollar was contemplated, the exchanges moved in favor of the dollar.

Imports of gold into the United States during recent weeks included, besides the regular arrivals from gold-producing countries, additional receipts from Japan and substantial receipts from the United Kingdom and from Sweden.

FINANCIAL STATISTICS

Year and month	Federal Reserve bank credit outstanding, end of month	Monetary gold stock	Currency in circulation	Excess reserves of member banks, end of month	Reporting Member Banks, Wednesday except to end of month: Loans: Total	Loans: Comm'l, industrial, and agricultural[1]	Investments	Deposits: Demand, adjusted	Deposits: Time	Stock prices (Standard Statistics)	All listed bonds, domestic, average price (N. Y. S. E.)	Capital flotations, corporate: New capital	Capital flotations, corporate: Refunding	Dividend rate, average per share (600 companies)	Interest rates, commercial paper (4-6 months)
	Millions of dollars									1926=100	Dollars	Thous. of dollars		Dollars	Percent
1929: May	1,360	4,305	4,767	....	10,202	....	6,708	12,781	6,705	187.8	97.21	821,648	390,548	....	6
1933: May	2,218	4,025	5,681	330	8,032	....	8,232	11,257	4,654	61.5	84.73	3,681	12,050	1.00	2-2¼
1934: May	2,463	7,759	5,355	1,662	8,513	....	9,826	13,868	4,041	71.8	92.32	28,823	2,068	1.18	1
1935: May	2,460	8,756	5,507	2,318	8,111	....	11,070	12,464	4,036	73.1	92.81	46,183	81,567	1.29	¾
1936: May	2,474	10,324	5,853	2,840	8,020	....	13,592	14,589	5,035	101.0	97.38	37,088	267,385	1.40	¾
1937:															
May	2,585	11,901	6,429	918	9,671	4,270	12,687	15,274	5,231	118.3	96.70	81,011	92,220	2.09	1
June	2,562	12,189	6,436	865	9,769	4,331	12,580	15,187	5,235	113.8	95.84	286,946	142,311	2.09	1
July	2,574	12,404	6,476	794	9,784	4,478	12,499	15,053	5,202	117.8	96.82	51,746	56,781	2.12	1
August	2,577	12,512	6,500	773	10,037	4,635	12,282	14,921	5,298	120.6	95.64	20,673	56,134	2.13	1
September	2,579	12,653	6,558	1,038	10,004	4,667	12,023	14,584	5,290	104.4	94.54	112,767	39,388	2.13	1
October	2,580	12,782	6,566	1,064	9,635	4,701	12,029	14,410	5,278	91.4	93.17	66,547	69,053	2.13	1
November	2,600	12,765	6,555	1,169	9,441	4,637	11,940	14,412	5,294	82.9	92.38	24,942	10,120	2.19	1
December	2,612	12,795	6,618	1,212	9,287	4,601	12,015	14,431	5,305	82.2	92.76	42,767	14,468	2.18	1
1938:															
January	2,593	12,756	6,307	1,383	8,981	4,394	12,253	14,464	5,226	81.0	91.04	45,833	3,773	1.03	1
February	2,590	12,795	6,319	1,415	8,839	4,357	12,288	14,381	5,200	80.7	92.44	49,592	52,225	1.83	1
March	2,611	12,776	6,335	1,548	8,771	4,299	12,030	14,368	5,221	77.9	88.71	23,985	57,643	1.67	¾-1
April	2,594	12,829	6,337	2,546	8,687	4,287	12,267	14,486	5,230	70.7	90.64	12,878	55,600	1.56	¾-1
May	2,582	12,891	6,416	2,648	8,334	3,999	12,292	14,589	5,216	73.9	90.61	35,935	25,698	1.42	¾-1

[1] This item was first reported by the Federal Reserve in May 1937; see footnote marked "@" on p. 32 of this issue.

Foreign Trade

THE slowing up in the foreign demand for United States merchandise which has been in evidence for several months was reflected in the foreign trade figures for May. Exports, which had held up remarkably well during the present set-back in business, declined 6 percent in value from April and for the first time in a year and a half were smaller in value than in the corresponding month of the previous year. General imports, which have tended downward since early in 1937, were 7 percent smaller in May than in April and only about one-half as great as in May 1937.

As a consequence of the sharp reduction in the value of imports as compared with a year ago, the value of merchandise exports exceeded the value of imports by over $100,000,000 in May as in other recent months. The amount by which the value of merchandise exports has exceeded the value of merchandise imports was increased to a total of $544,226,000 for the first 5 months of 1938.

The increased agricultural production in the United States during 1937 as compared with 1936, when the drought cut output, is responsible in large part for the marked change in the composition of foreign trade in May 1938. The value of exports of agricultural products was 33 percent larger in May 1938 than in May 1937, whereas the value of agricultural imports showed a reduction of 55 percent. Agricultural products accounted for 25 percent of the total value of exports in May as against 17 percent in May 1937.

Exports in May of the other three classes of commodities, crude materials, semimanufactures, and finished manufactures, were lower in value than in May a year ago. Exports of finished manufactures, however, which showed a much less marked decline than the crude materials and semimanufactures, contributed slightly more than 50 percent of total exports, approximately the same proportion as in May 1937. Exports of some finished manufactures, cotton cloth, motor fuel, metal-working machinery, and aircraft, increased. However, shipments of a number of leading manufactures, among them motor trucks, passenger automobiles, electric refrigerators, radio apparatus, and steel manufactures, dropped much lower in May than a year ago.

The depressed state of domestic business, as well as the recovery of agriculture from the drought condition of 1936, contributed to the reduction in imports during May. Unmanufactured wool imports were only 4,029,000 pounds as compared with almost 30,000,000 pounds in May 1937, and rubber imports were 62,963,000 pounds as compared with 109,531,000 pounds in May 1937. Imports of grains and preparations in May were only $600,000, as compared with $11,200,000 in the corresponding month last year. Imports of finished manufactures, particularly newsprint and burlaps, were maintained at fairly high levels in May 1938, and the decline in total imports of finished manufactures, although substantial, was less marked than for total imports.

EXPORTS AND IMPORTS

Year and month	Indexes: Value of total exports, adjusted[1]	Indexes: Value of total imports, adjusted[1]	Exports, including reexports	Exports of United States merchandise: Total	Crude materials: Total	Crude materials: Unmanufactured cotton	Foodstuffs, total	Semimanufactures	Finished manufactures: Total	Finished manufactures: Machinery	Finished manufactures: Automobiles, parts, and accessories	Imports[2]: Total	Imports: Crude materials	Imports: Foodstuffs	Imports: Semimanufactures	Imports: Finished manufactures
	Monthly average, 1923-25=100		Millions of dollars													
1929: May	108	125	385.0	377.1	67.4	32.5	67.1	50.8	202.7	47.7	43.3	400.1	141.7	88.9	86.0	83.5
1933: May	32	33	114.2	111.8	35.0	25.1	13.0	17.0	46.2	9.1	7.4	106.9	24.9	40.0	18.3	25.0
1934: May	48	47	160.2	157.2	38.0	17.6	14.8	30.2	76.2	17.0	20.8	147.5	42.9	46.9	28.8	30.8
1935: May	40	63	165.5	159.5	35.9	16.4	15.4	25.4	81.0	22.1	18.0	160.8	44.3	45.9	33.0	33.9
1936: May	50	65	200.8	197.0	42.6	22.2	15.9	35.0	103.4	29.0	22.6	189.0	56.1	64.3	38.6	38.1
1937:																
May	81	90	289.9	285.1	63.0	34.6	16.2	71.8	145.0	42.3	32.3	278.8	91.8	84.6	56.8	46.7
June	79	83	265.4	259.6	43.0	10.8	16.0	63.2	135.2	49.8	28.7	275.7	92.5	80.1	60.9	47.2
July	80	80	268.2	264.8	34.4	8.4	17.4	68.0	144.0	46.1	28.4	265.4	77.5	77.6	60.4	49.8
August	79	79	277.7	274.3	46.0	15.9	37.4	67.2	133.8	49.8	21.1	245.0	70.5	66.0	64.8	47.7
September	74	76	296.7	293.6	60.9	30.0	20.8	66.4	130.4	50.0	24.3	234.1	76.0	50.9	58.8	48.6
October	73	68	333.1	329.6	63.3	45.0	36.8	68.8	145.7	44.6	26.4	226.5	71.7	53.0	51.8	50.0
November	72	69	314.7	311.3	84.9	48.7	32.9	67.6	136.4	47.7	28.8	212.4	67.5	51.5	46.4	47.0
December	78	65	319.3	315.3	75.9	39.9	34.0	58.6	151.9	44.7	39.7	203.7	63.5	50.4	43.8	41.8
1938:																
January	75	63	289.4	284.1	67.6	34.6	40.3	44.1	131.9	39.7	34.4	163.5	51.8	44.1	32.0	34.6
February	76	61	262.7	260.0	48.2	31.2	38.4	41.7	130.6	41.4	28.5	166.9	46.7	47.1	20.7	32.4
March	73	48	275.7	270.8	47.0	23.1	55.5	46.2	142.1	46.1	28.8	173.8	51.2	55.5	32.1	34.5
April	78	46	274.5	271.5	44.8	20.1	38.0	48.3	142.2	46.6	28.4	158.5	43.8	40.5	28.8	33.0
May	72	45	257.2	253.6	34.8	10.4	48.2	43.6	125.9	42.4	22.9	147.2	40.2	45.7	27.9	33.4
Cumulative, January through May:																
1929	[4] 117	[4] 126	2,220.9	2,191.7	425.0	238.9	310.0	320.9	1,127.0	252.9	230.2	1,983.0	707.4	443.0	384.8	401.1
1933	[4] 28	[4] 29	649.5	638.4	167.1	111.4	60.7	76.5	220.9	45.1	34.6	409.9	117.0	167.1	75.4	108.4
1934	[4] 45	[4] 45	905.6	840.3	253.6	166.9	97.0	126.3	363.4	83.4	80.7	696.1	202.1	218.9	131.1	144.0
1935	[4] 46	[4] 62	853.9	835.8	216.3	122.2	77.9	130.0	408.6	105.5	103.4	829.0	226.6	287.9	105.5	154.2
1936	[4] 51	[4] 60	969.3	954.1	237.4	131.5	77.0	168.3	490.8	138.2	113.7	959.0	291.5	301.2	192.6	173.7
1937	[4] 67	[4] 86	1,269.5	1,249.2	269.5	138.0	85.9	252.9	640.9	185.8	140.3	1,345.4	440.1	417.5	207.0	230.9
1938	[4] 72	[4] 51	1,359.8	1,342.0	242.4	109.5	302.0	220.9	576.7	215.2	136.2	795.6	230.8	241.0	161.2	166.7

[1] Adjusted for seasonal variations.
[2] General imports through December 1933; imports for consumption thereafter.
[4] Monthly average.

Construction and Real Estate

THE dollar value of total construction contracts awarded in the first half of June was 18 percent lower than daily average awards in May, largely as a result of a reduction in public works and utilities projects which were placed in large volume in May. Contracts let in the first half of June were 19 percent below those in the comparable period last year. Awards for the first 6 months of 1938 will fall approximately 12 percent below total awards during the first half of 1937.

There was a substantial increase in construction contracts awarded in May, following a slight decline in April, and awards for the month were 16 percent above the total for May 1937. Contracts let in the 37 States covered by the Dodge statistics totaled $283,156,000, the largest dollar volume recorded in any month since July of last year. The increase in May was primarily in the heavy engineering classification, which was augmented by a project of $22,000,000 for a water-supply tunnel. Private construction awards were 8 percent below the dollar volume for May of last year, while publicly financed work was 55 percent above last year.

The dollar volume of residential contracts awarded in May, on a daily average basis, increased 16 percent over April, and was only 1 percent below May 1937. For the first 5 months of this year residential contracts were 26 percent below the corresponding months of last year. The contract statistics for this year do not include any of the low-rent housing projects approved by the United States Housing Authority. Although the Housing Authority has approved local projects estimated to cost more than $100,000,000, the work on these projects has not yet reached the contract-award stage. It is expected that these projects will swell the residential total in the late summer and fall months.

A survey by the United States Public Health Service, dealing with living conditions in 83 cities during the 1935–36 period, revealed the need for new residential accommodations, particularly for families in the lower income classes. Based on this survey, involving an analysis of 703,489 urban households, the Public Health Service estimated that 3,000,000 urban families in the United States have fewer rooms in their homes than there are persons; 1,000,000 live in dwellings with more than one and a half times as many persons as there are rooms; 700,000 live in dwellings with at least twice as many persons as there are rooms. Overcrowding was prevalent in every section of the country and in cities of every size.

CONSTRUCTION, BUILDING MATERIALS, AND REAL ESTATE

Year and month	Construction contracts awarded: Federal Reserve index adjusted[1]	Construction contracts awarded: All types of construction[2]: Number of projects	Construction contracts awarded: All types of construction[2]: Millions of dollars	Residential building[2]: Millions of square feet	Residential building[2]: Millions of dollars	Nonresidential building[2]: Millions of dollars	Public utilities[2]: Millions of dollars	Public works[2]: Millions of dollars	Building-material shipments: Common brick: Thousands	Lumber: Mills. of ft. b. m.	Oak flooring: Thous. of ft. b. m.	Cement: Thousands of barrels	Construction costs (Engr.-News-Record)[3]: Monthly average, 1913=100	Loans outstanding: Home Loan Bank: Thousands of dollars	Loans outstanding: Home Owners' Loan Corp.[4]: Thousands of dollars	Real-estate foreclosures (nonfarm)[4]: Monthly average, 1926=100
	Monthly average, 1923–25=100															
1929: May	121	16,422	587.8	40.3	192.0	227.8	47.5	120.5				16,786	206.2			
1933: May	16	9,469	77.2	8.4	23.6	31.0	5.8	13.4				5,700	104.4	35,923		
1934: May	25	9,151	134.4	9.3	24.8	52.7	5.5	51.2	64,516	1,484	9,055	8,784	100.6	85,333	673,640	348
1935: May	27	10,601	120.7	13.1	44.9	60.4	5.4	20.0	83,070	1,817	18,306	7,426	104.0	76,532	2,028,501	378
1936: May	49	13,242	216.1	20.5	76.3	82.9	12.8	50.3	171,416	2,038	28,570	11,340	201.1	110,871	2,861,701	290
1937:																
May	66	16,305	243.7	23.0	83.8	94.0	9.6	56.1	191,275	2,177	30,455	11,890	233.6	164,488	2,591,116	253
June	61	20,355	317.7	23.8	93.0	125.9	28.7	70.2	184,585	2,168	26,498	12,645	237.3	167,654	2,550,401	250
July	67	15,861	321.0	20.8	81.0	132.1	48.7	52.8	167,088	2,114	28,209	12,237	239.9	168,463	2,524,129	232
August	62	16,464	281.2	18.9	72.4	118.1	28.1	63.5	167,839	2,070	33,160	12,201	240.7	173,684	2,407,224	194
September	60	14,947	207.1	17.0	66.6	78.2	12.2	53.1	164,424	2,061	30,104	12,773	241.0	179,403	2,477,421	214
October	53	14,596	202.1	16.3	55.5	75.3	12.3	45.0	149,672	1,518	21,008	11,100	241.8	184,033	2,445,802	198
November	58	12,613	198.4	15.8	60.9	78.3	14.9	44.8	128,116	1,443	19,310	8,188	241.4	187,335	2,422,140	192
December	61	9,162	209.6	10.8	43.5	101.2	17.7	47.1	95,883	1,301	18,442	4,703	241.1	200,003	2,397,047	194
1938:																
January	52	8,982	182.2	9.4	30.2	57.4	44.5	50.1	58,701	1,385	22,169	4,300	239.6	100,625	2,370,864	170
February	51	9,281	118.9	10.4	40.0	45.4	5.1	20.3	74,978	1,380	24,400	4,675	239.0	187,495	2,348,025	172
March	48	14,533	236.9	20.1	78.4	87.8	10.7	40.0	114,000	1,745	35,056	7,259	238.6	181,105	2,323,998	106
April	52	15,058	232.0	18.7	74.5	80.4	9.4	67.0	129,459	1,487	26,984	8,678	238.6	183,747	2,301,894	101
May	51	17,665	283.2	20.6	83.2	77.6	43.7	78.5		1,625	28,286	9,703	236.8	180,607	2,281,834	103
Monthly average, January through May:																
1929	121	16,059	406.4	38.1	182.7	187.0	45.8	70.9				10,260	207.2			
1933	17	6,130	66.0	5.0	17.1	26.6	4.6	17.4				3,990	100.2			
1934	30	7,494	145.4	5.3	21.0	47.1	11.3	66.1	60,374	1,294	9,307	5,325	105.0			329
1935	27	8,518	100.7	8.8	31.7	40.0	0.4	31.7	58,458	1,613	13,127	4,800	105.3			303
1936	60	10,262	200.9	15.1	52.2	88.1	10.9	49.7	107,348	1,818	28,003	6,940	207.2			276
1937	58	14,035	234.1	22.0	84.7	88.2	20.3	41.0	161,577	2,152	35,075	7,979	230.0			242
1938	60	12,084	206.5	15.8	62.7	70.4	23.5	42.1		1,526	27,616	6,931	239.4			180

[1] Based on 3-month moving average of values and adjusted for seasonal variations.
[2] See note marked "†" on p. 24.
[3] Index is as of 1st of month; index for June 1, 1938, is 236.0.
[4] See footnote marked "*" on p. 25.

Transportation

FREIGHT traffic recorded a slight upturn during May and the first 3 weeks of June. Although the gain was small, it was the first since last July, after adjustment for working days and for seasonal variations. In May, the adjusted index presented in the table below advanced 1 point to 58 (1923-25=100), with two of the major classifications—coal and miscellaneous loadings—showing more than seasonal gains. During the extended period of decline which began in May 1937, the combined index dropped nearly one-third, and by May of this year several of the commodity classifications were at or near the low points of 1932–33. During April and May daily average loadings of miscellaneous freight, which is comprised largely of manufactured products, were more than one-third below those of the early spring of 1937. Loadings of forest products in the same months were about 40 percent under last summer's volume, the recent improvement in construction activity not yet being reflected in these statistics to any important degree. Merchandise l. c. l. freight in April and May was only 60 percent of the 1923–25 average, the lowest figure ever recorded for railroad movement of this type of freight.

Total loadings have remained above those of 1933, but higher operating costs, despite recent declines in prices of materials purchased by the railroads, have resulted in month-to-month deficits that are slightly larger than those of the worst depression year. In the first 4 months of 1938 the loss, after all charges, totaled nearly $140,000,000, as compared with a loss of $120,000,000 in the corresponding period of 1933. In May gross revenues, tabulated from the returns of a representative group of roads, were 22 percent below those of the corresponding month last year. This indicates a slight improvement in the year-to-year comparison, since total revenues in March and April were, respectively, 25 percent and 24 percent below those of a year ago.

Railway employment (excluding executives, officials, and staff assistants) in May was reduced to a level only slightly above that of early 1933, according to Interstate Commerce Commission statistics. On an index basis, and after allowance for seasonal variations, the May figure of 50.1 (1923-25=100) was the lowest reported since the figures first became available in 1920. Since June 1937, the index has dropped 22 percent, and is about 46 percent below the 1929 average. The sharpest decline since June a year ago has been in maintenance of equipment and stores (31 percent) and maintenance of way and structures (32 percent). Train and engine service employment was reduced about 18 percent over this interval.

Railway hourly wage rates are currently near the record high of February 1938. In April an average hourly wage of 72.9 cents was paid to employees of Class I roads, as compared with 66.2 cents in June 1937. This increase has only in part been due to higher wage rates, an additional important factor being the relatively sharper decline in employment in the low-pay than in the high-pay brackets, as is indicated in the preceding paragraph.

RAIL AND WATER TRAFFIC

Year and month	Freight-car loadings: F. R. index: Unadjusted [1]	F. R. index: Adjusted [2]	Total	Coal and coke	Forest products	Grain and grain products	Livestock	Merchandise l.c.l.	Ore	Miscellaneous	Freight car surplus	Pullman passengers carried	Financial statistics, class I railways: Operating revenues	Net railway operating income	Net income	Canal traffic: Sault Ste. Marie	Panama [3]
	Monthly average, 1923-25=100		Thousands of cars [4]									Thousands	Thousands of dollars			Thous. of short tons	Thous. of long tons
1929: May	107	107	1,032.6	164.0	68.6	37.8	25.0	250.1	72.7	406.5	223	2,690	531,623	101,332	....	12,930	1,208
1932: May	51	52	600.4	73.4	17.6	27.9	16.1	171.6	3.0	188.0	751	1,270	251,022	11,086	[4]28,791	1,508	692
1933: May	54	55	532.8	85.6	21.0	36.8	15.8	101.5	8.7	202.0	583	961	255,241	41,048	[4]2,699	3,499	783
1934: May	63	64	596.2	111.9	26.1	29.1	16.0	164.3	25.9	239.0	255	1,122	282,020	49,090	[4]3,937	5,745	1,088
1935: May	60	61	579.8	112.4	24.2	25.0	12.2	163.3	28.7	223.8	305	1,145	279,628	59,609	[4]4,668	5,085	998
1936: May	71	72	678.2	117.8	32.4	30.7	11.6	168.0	42.8	277.5	185	1,265	330,026	41,797	[4]2,968	8,710	918
1937:																	
May	88	90	774.7	127.4	40.1	20.8	13.2	171.3	73.1	322.9	147	1,304	352,643	44,230	[4]46	14,110	1,077
June	79	78	744.1	121.6	39.1	33.7	11.0	163.3	73.2	304.3	167	1,438	351,794	58,990	18,640	14,181	1,016
July	82	80	762.4	119.8	40.3	60.3	10.6	161.0	76.8	303.6	157	1,660	365,148	60,568	19,007	14,137	958
August	81	79	778.0	127.7	40.6	49.7	14.3	167.8	74.4	310.6	127	1,635	360,612	50,380	6,347	13,937	1,041
September	87	78	795.7	142.0	37.8	34.8	17.3	164.4	69.7	322.2	104	1,562	353,071	49,305	16,219	12,585	866
October	84	79	808.6	166.5	35.4	33.0	21.3	171.6	47.9	272.0	123	1,494	372,936	60,747	17,185	9,842	990
November	72	71	666.9	140.6	28.0	33.8	16.6	165.9	16.6	261.8	219	1,342	318,189	52,441	[4]6,586	8,030	844
December	62	64	577.3	139.6	28.2	34.1	13.6	142.0	5.6	213.7	289	1,445	300,321	25,072	6,947	309	760
1938:																	
January	59	65	542.8	120.8	23.8	38.8	13.7	137.3	6.7	199.1	299	1,628	270,280	6,090	[4]33,476	0	782
February	57	62	538.0	110.0	24.3	31.0	11.3	144.2	7.1	202.3	821	1,254	261,089	[4]2,122	[4]44,667	0	829
March	57	60	556.7	100.9	27.1	33.3	10.9	151.4	7.8	225.0	812	1,202	299,076	14,470	[4]26,212	0	814
April	55	57	530.0	84.9	24.6	31.0	11.6	160.7	7.9	218.4	317	1,234	268,280	9,297	[4]33,483	971	747
May	57	58	516.4	80.1	26.3	32.4	13.7	148.2	13.8	201.0	338	....	272,664	16,497	....	2,395	804
Monthly average, January through May:																	
1929	102	....	869.3	185.0	65.3	41.7	26.4	251.8	27.2	272.6	244	[5]2,676	508,705	99,890	....	....	1,197
1933	50	....	496.9	100.7	16.6	30.6	16.8	157.8	5.0	171.8	620	[5]989	227,282	18,954	[4][5]28,907	....	671
1934	61	....	587.8	124.2	22.8	28.7	16.5	158.8	8.4	217.2	278	[5]1,219	269,424	34,864	[4][5]6,508	....	908
1935	61	....	577.0	120.0	21.0	23.6	12.7	154.6	10.4	229.7	316	[5]1,254	270,843	32,134	[4][5]12,887	....	840
1936	67	....	627.1	141.3	29.2	31.1	12.0	162.6	18.5	247.6	194	[5]1,398	306,408	37,617	[4][5]7,442	....	900
1937	76	....	721.1	163.1	34.5	28.5	12.6	165.3	28.4	287.0	128	[5]1,471	347,057	48,028	[4][5]4,904	....	817
1938	57	....	543.2	103.7	25.5	33.1	12.1	148.4	8.0	212.9	518	[5]1,319	270,871	9,046	[4][5]34,949	....	710

[1] Adjusted for number of working days.
[2] Adjusted for seasonal variations.
[3] American vessels, both directions.
[4] Average weekly basis.
[5] 4 months' average, January through April.
[4] Deficit.